

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, FOLLOWING A DULY ADVERTISED PUBLIC HEARING, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE (FERC), AND APPROVING, IN SUBSTANTIAL FORM, A NEW LEASE AGREEMENT BETWEEN THE CITY ("LANDLORD") AND SOBE TOSCANA, LLC ("TENANT"), FOR USE OF APPROXIMATELY 2,216 SQUARE FEET OF OUTDOOR CAFÉ SPACE LOCATED AT 22 WASHINGTON AVENUE, FOR A TERM OF NINE (9) YEARS AND 364 DAYS, COMMENCING ON JUNE 1, 2027, UPON EXPIRATION OF THE CURRENT LEASE AGREEMENT, AND EXPIRING ON MAY 30, 2037; AND FURTHER WAIVING, BY 5/7THS VOTE, THE FORMAL COMPETITIVE BIDDING REQUIREMENT IN SECTION 82-39(A) OF THE CITY CODE, FINDING SUCH WAIVER TO BE IN THE BEST INTEREST OF THE CITY; AND FURTHER AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE THE LEASE AGREEMENT.

WHEREAS, the City of Miami Beach owns an approximately 2,216-square-foot outdoor space at 22 Washington Avenue ("Demised Premises"), which has been leased to Sobe Toscana, LLC ("Tenant") since 2017 for use as an outdoor café; and

WHEREAS, the Demised Premises has been operated as an extension of the Tenant's adjacent restaurant, located at 816 Commerce Street ("Restaurant Space"), contributing to the activation of the public realm and economic vitality of the South of Fifth neighborhood; and

WHEREAS, the original Lease Agreement dated August 9, 2017 included an initial five-year term, which expired on July 31, 2022, with an option to renew for an additional four years and nine months; and

WHEREAS, on December 17, 2021, the parties executed Amendment No. 1 to the Lease Agreement, exercising the sole renewal option, with an expiration date of May 31, 2027; and

WHEREAS, on December 8, 2021, the Mayor and City Commission adopted Resolution No. 2021-31926, approving a non-exclusive subterranean Easement Agreement among the City, Tenant and the landlord for the Restaurant Space; said Easement Agreement authorizing the installation and use of a 500-gallon grease trap system beneath the outdoor café area to support the kitchen infrastructure, coterminous with the useful life of the facility and subject to terms that protect the City's use of the property; and

WHEREAS, the Tenant's lease for the Restaurant Space has been extended and now runs through 2041, and the Tenant has requested a new lease for the outdoor café commencing on June 1, 2027, to avoid interruption of services and to align the terms of both leases, thereby supporting the Tenant's operational continuity; and

WHEREAS, the proposed new Lease Agreement ("Lease") includes the following essential terms and conditions:

Lessor: City of Miami Beach

Tenant: Sobe Toscana, LLC

Demised Premises: 2,216 square feet of outdoor café space at 22 Washington Avenue.

Use: Ancillary outdoor café to Restaurant Space; limited to 93 seats, pending approval by the fire marshal and/or other City authorities

Proposed Term: Nine (9) years and 364 days, commencing on June 1, 2027 and expiring on May 30, 2037.

Rent Commencement Date: June 1, 2027

Rent for First Year: \$30.72 psf (\$5,672.96 per month plus Sales Tax), payable on the 1st of each month

Rent Escalation: 3% annual increase

Current Easement Fee: \$1,523.29 Annually

Easement Escalation: 3% annual increase

Security Deposit: \$12,470.55 (currently held by the City)

Guaranty: \$43,118.04 (last six months of rent)

Termination for Convenience (City): 60 days' notice; not permitted within first 3 years

Utilities: Tenant's responsibility

WHEREAS, the Lease is projected to generate approximately \$707,061.66 in rental revenue to the City over the full term, while also avoiding vacancy and supporting the City's economic development goals; and

WHEREAS, the Finance and Economic Resiliency Committee, at its June 4, 2025 meeting, reviewed and unanimously recommended approval of the proposed Lease; and

WHEREAS, the City Manager recommends waiving, by 5/7th vote, the formal competitive bidding requirement, as permitted in Section 82-39(a) of the City Code, as being in the City's best interest, in that, the approval of this Lease ensures continuity with a compliant and reliable tenant and contributes to the long-term vitality of a key public space; and

WHEREAS, the City Manager recommends approving, in substantial form, the Lease attached to the City Commission Memorandum accompanying this Resolution.

NOW, THEREFORE, BE IT DULY RESOLVED THAT THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, following a duly advertised public hearing, that the Mayor and City Commission hereby accept the recommendation of the Finance and Economic Resiliency Committee (FERC), and approve, in substantial form, a new Lease Agreement between the City ("Landlord") and Sobe Toscana, LLC ("Tenant"), for use of approximately 2,216 square feet of outdoor café space located at 22 Washington Avenue, for a

term of nine (9) years and 364 days, commencing on June 1, 2027, upon expiration of the current Lease Agreement, and expiring on May 30, 2037; and further waive, by 5/7ths vote, the formal competitive bidding requirement in Section 82-39(a) of the City Code, finding such waiver to be in the best interest of the City; and further authorize the City Manager to finalize and execute the Lease Agreement.

PASSED and **ADOPTED** this ____ day of _____ 2025.

ATTEST:

Rafael E. Granado, Secretary

Steven Meiner, Chairperson

APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION



City Attorney

6/13/2025

Date